

SENATOR TIM LARSON

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State of Connecticut
SENATE

Chair
Public Safety & Security Committee
Vice Chair
Energy & Technology Committee
General Law Committee
Member
Commerce Committee

February 17, 2015

TESTIMONY ON SB 520

Esteemed chairs and members of the Veterans Affairs Committee:

I am here today to speak in support of SB 520 which intends to increase the exemption from state income tax on military retirement pay from fifty percent to one hundred percent.

As of 2012, there were an estimated 7,000 men and women of the U.S. Armed Forces scheduled to return to Connecticut after dutifully serving their country. With more than 270,000 Connecticut veterans who face a variety of challenges -including employment and health issues, it is our responsibility to ensure that they receive adequate and full support to live a comfortable civilian life.

Connecticut has always prided itself on being a leader in implementing critical legislation that positively benefits the lives of its residents, and other states have followed our lead. Currently though, those who have put their lives on the line to protect our country are subject to having their military retirement pay taxed. As of now, there are thirteen states that do not impose taxes on service men and women retirement pay (Alabama, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New York, Pennsylvania, Wisconsin), and nine states who do the same by default because they have no income tax (Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, Wyoming). As you have probably already gathered, Connecticut is nowhere mentioned. Connecticut is not mentioned because we are currently imposing an exemption rate of fifty-percent state income tax onto the retirement pay of those who have served this country.

Given the Committees charge to oversee matters concerning veteran's affairs, I hope when reviewing SB520 you will stand with our veterans and increase the exemption rate to one hundred percent.

Thank you for your time.

Sincerely,
A handwritten signature in black ink, appearing to read "TDL" with a stylized flourish.

Senator Timothy D. Larson